

NEXON Directors' Compensation Policy

1. Basic Management Concepts

Nexon Group recognizes that our most important management issue is to strike a balance between the maximization of corporate value and ensuring sound business through efficient and highly transparent business management. To that end, we have set forth the following as our basic policy of corporate governance: (1) the maximization of shareholder value; (2) building a good relationship of trust with stakeholders such as users, business partners, local communities, and employees; and (3) sustainable and stable growth.

Under this policy, we will capitalize on our strengths that we have cultivated to date, i.e. our know-how of developing fun and differentiated games and our operational capabilities for growing a game over a long period of time, in order to offer creative, high-quality games, in online gaming, which game fans all over the world can enjoy for a long time.

2. Basic Policy

To put the above management concepts into practice, the basic policy of Nexon's compensation plan for directors shall be as follows in accordance with NEXON Corporate Governance Basic Policy.

It shall:

- (1) contribute to the sustainable growth of Nexon Group and mid- to long-term improvement of corporate value;
- (2) be reasonably competitive on the global HR market to acquire truly talented personnel for the management team from a global perspective and to maintain such a relationship;
- (3) link directors' compensation with the company's business performance and corporate value to align their interests with those of shareholders and increase the management mindset's focus on shareholders; and
- (4) have a highly transparent and objective process for determining compensation.

3. Rationale for Compensation Level

In our aim to become the No.1 global company in the entertainment industry including the game

industry, Nexon Group is engaged in intense competitions with leading companies in good standing from all over the world, including the competition for the acquisition of talented management personnel. The level of our compensation for directors is set by referencing directors' compensation levels at such global companies, mainly those in Japan and the U.S. In doing so, we shall also utilize any data (e.g. the absolute amount of compensation, forms of compensation) provided by external compensation consultants, executive compensation surveys, etc. to ensure that, in principle, the level of total compensation amount and its components (i.e. base salary, annual performance bonus, equity-based stock options) do not fall below the median compensation amount based on executive compensation survey data derived from Japanese companies.

4. Compensation Breakdown

Executive Directors:

Compensation for executive directors consists of base salary, annual performance bonus and equity-based stock options. Specifically, it can be broken down into: (i) base salary, which is a flat-rate, fixed amount; (ii) annual performance-based bonus, which is linked to the company's business performance for each fiscal year; (iii) equity-based stock options (period-based), which are granted after the end of the annual general meeting of shareholders held in the grant year and vest in specified proportions over a three-year period subject to satisfaction of service conditions on predetermined dates; and (iv) equity-based stock options (performance-based), which are linked to various company performance indicators and other assessment metrics.

Given that directors' compensation should function as a sound incentive for sustainable growth, as for those components of compensation for each director, the ratios of each portion of the compensation shall, in principle, be set so that the following relationships are established at 100% achievement of key performance indicator (KPI) targets. In addition, if a director concurrently serves as the CEO or otherwise holds an executive position at a subsidiary and receives stock acquisition rights as compensation for such subsidiary role, such stock acquisition rights shall not be taken into account in setting the ratios of the compensation.

- (1) The standard amount of the portions with their amounts and values linked to the company's business performance and stock price (i.e. (ii) + (iii) + (iv)) is greater than the flat-rate, fixed portion (i.e. (i)).

$$[(i) < ((ii) + (iii) + (iv))]$$

- (2) The standard amount of equity-based stock options (i.e. (iii) + (iv)) is greater than the standard amount of annual performance-based bonus (i.e. (ii)).

$$[(ii) < ((iii) + (iv))]$$

In addition to these above, the ratio of compensation for the Representative Director, President and CEO (*daihyo torishimariyaku shacho*) shall be set so that the relation of the following is met: base salary \leq annual performance-based bonus (standard amount) \leq equity-based stock options (standard amount).

$$[(i) \leq (ii) \leq ((iii) + (iv))]$$

(i) Base salary	(ii) Annual performance-based bonus	(iii) Equity-based stock options (period-based)	(iv) Equity-based stock options (performance-based)
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Cash compensation	Equity-based compensation (Equity-based substitute stock options)
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Flat-rate, fixed compensation	Compensation linked to business performance and stock price
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The timings of payment of each compensation shall be as follows:

- (i) Base salary: To be paid every month by dividing the decided amount of annual basic compensation into 12 equal parts.
- (ii) Annual performance-based bonus: To be paid after the finalization of the achievement rate of the KPI targets for each year.
- (iii) Equity-based stock options (period-based): To be granted after the annual general meeting of shareholders to be held in the grant year and to vest and become exercisable in specified proportions over a three-year period subject to satisfaction of service conditions on predetermined dates. In granting such stock options, within the limits on amount and number approved by the general meeting of shareholders, the Company may allow flexibility in the frequency and number of grants depending on the role of, and changes in the role of, the relevant executive director.
- (iv) Equity-based stock options (performance-based): For each stock option to be granted, a performance assessment period of three years shall be established, and the stock option shall be granted after the annual general meeting of shareholders first held within such performance assessment period. Following the grant, it shall become exercisable after the end of the first, second and third annual general meeting of shareholders held thereafter in accordance with the achievement level of the performance assessment indicators. In granting such stock options, within the limits on amount and number approved by the general meeting of shareholders, the Company may allow flexibility in the frequency and number of grants depending on the role of, and changes in the role of, the relevant executive director.

Notwithstanding the foregoing, if circumstances arise requiring a change to the originally determined amount of compensation, or in other cases where it is necessary, the company may, in accordance with the procedures set forth in “6. Determination Process” below, decide to grant additional cash compensation, separate from the compensation described above, to be paid in installments or as a lump-sum payment. Such additional payment shall not be taken into account when determining the ratio allocations set forth in “4. Compensation Breakdown”.

Non-executive Directors (including external directors, but excluding directors who are Audit and Supervisory Committee members):

Compensation for non-executive directors including external directors (excluding directors who are Audit and Supervisory Committee members) shall, in principle, consist of (i) base salary, which is flat-rate and fixed, and (iii) equity-based stock options (period-based) that become exercisable after the end of the first, second and third annual general meeting of shareholders respectively, to be held after their granting. This is because, while taking into account the perspective of appropriately giving incentives for improving the corporate value over the mid- to long-term to non-executive directors and also the expectation that they (especially external directors) supervise the execution of duties by executive directors, it has been pointed out that there may be adverse effects to their supervisory functions caused by paying performance-based compensation to these non-executive directors.

However, as for those components of compensation for each director, in order to ensure that equity-based compensation, which is an incentive compensation, does not become excessive in comparison to cash compensation, the standard amount of equity-based stock options (period-based) is set so that it does not exceed the base salary.

$$[(i) \geq (iii)]$$

The timings of payment of each compensation shall be as follows:

- (i) Base salary: To be paid every month by dividing the decided amount of annual basic compensation into twelve equal parts.
- (iii) Equity-based stock options (period-based): To be granted after the annual general meeting of shareholders to be held in the grant year and to become exercisable after the end of the first, second and third annual general meeting of shareholders held thereafter.

Directors who are Audit and Supervisory Committee members

Compensation for directors who are Audit and Supervisory Committee members (including external directors) shall, in principle, consist of (i) base salary, which is flat-rate and fixed, and (iii) equity-based stock options (period-based) that become exercisable after the end of the first annual general meeting of shareholders to be held after their granting. This is because, while taking into account the perspective of appropriately giving incentives for improving the corporate value over the mid- to

long-term to such directors and also the expectation that they supervise the execution of duties by executive directors, it has been pointed out that there may be adverse effects to their supervisory functions caused by paying performance-based compensation to directors who are Audit and Supervisory Committee members (including external directors).

However, as for those components of compensation for each director, in order to ensure that equity-based compensation, which is an incentive compensation, does not become excessive in comparison to cash compensation, the standard amount of equity-based stock options (period-based) is set so that it does not exceed the base salary.

[(i) \geq (iii)]

The timings of payment of each compensation shall be as follows:

- (i) Base salary: To be paid every month by dividing the decided amount of annual basic compensation into twelve equal parts.
- (iii) Equity-based stock options (period-based): To be granted every year after the annual general meeting of shareholders to be held in the grant year and to become exercisable after the end of the first annual general meeting of shareholders held after their granting.

5. Details of each Compensation, etc.

(1) Flat-rate and fixed compensation

Of the compensation for directors, the portion that is flat-rate and fixed shall be as follows:

(i) Base salary

The annual amount shall be decided for each director in accordance with each director's title and position, as well as factors including the roles and responsibilities of each director.

(2) Compensation linked to performance/stock price

Of the compensation for directors, the portion linked to the company's business performance or stock price shall be as follows:

(ii) Annual performance-based bonus

The standard amount shall be decided for each director by simultaneously taking into account the base salary decided in (1) above and the ratios determined in "4. Compensation Breakdown" above.

When calculating the performance target achievement rate, assessment shall be made by giving pre-determined weights to consolidated revenue and consolidated operating income, which are indices having objectiveness and transparency. This portion of compensation will fluctuate within the range from 0% to 150% of the standard amount of the annual performance-based bonus depending on the rate of performance-based achievement of

numerical internal targets set at the beginning of the year (e.g. 100% at 100% achievement of KPI targets). Furthermore, when calculating the actual numbers of consolidated revenue and consolidated operating income to determine the amount of performance-based bonus, the temporary effects of M&As and impairment of goodwill which arise during the relevant fiscal year shall be eliminated.

(iii) Equity-based stock options (period-based)

These equity-based stock options (period-based) are equivalent to so-called restricted stock (RS) or its unit form as restricted stock unit (RSU). For directors (including external directors) other than Audit and Supervisory Committee members, stock acquisition rights shall be granted after the annual general meeting of shareholders to be held in the grant year, and those stock acquisition rights shall vest in specified proportions over a three-year period subject to satisfaction of service conditions on predetermined dates, and become exercisable accordingly. Provided, however, that, in granting such stock acquisition rights, within the limits on amount and number approved by the general meeting of shareholders, the Company may allow flexibility in the frequency and number of grants depending on the role of, and changes in the role of, the relevant executive director. Audit and Supervisory Committee members (including external directors) shall be granted stock acquisition rights every year after an annual general meeting of shareholders, and at the end of the first annual general meeting of shareholders to be held after their granting, the stock acquisition rights attributed to the relevant year will vest and become exercisable. This portion of compensation consisting of equity-based stock options (period-based) is not linked to the company's business performance; it is only linked to the period of the directors' term of office and the stock price.

As for the number of equity-based stock options (period-based) to be granted, the standard amount of equity-based stock options (period-based) shall be determined for each director by simultaneously taking into account the base salary decided in (1) above and the ratio determined in "4. Compensation Breakdown," and the number of equity-based stock options to be granted shall be the number derived by dividing the said standard amount of equity-based stock options (period-based) by the closing price of ordinary transactions of Nexon's common stock on the Tokyo Stock Exchange on the day immediately preceding the grant approval date (if such day is not a trading day, the most recent trading day) (any fractional amount shall be rounded off). Furthermore, the class and number of underlying shares per stock acquisition right shall be one share of common stock of Nexon.

(iv) Equity-based stock options (performance-based)

These equity-based stock options are equivalent to so-called performance shares (PS). To contribute to Nexon Group's sustainable growth and improvement of our corporate value

on the mid- to long-term, they are granted after the annual general meeting of shareholders held in the grant year and, over a three-year period after grant, subject to satisfaction of service conditions on predetermined dates as well as the achievement of performance assessment indicators (including, for example, comparisons of the relative trend in the stock price, as well as the rate of achievement of consolidated business result targets as upheld in our multiyear internal management plan), vest and become exercisable after a certain performance assessment period has elapsed after their granting.

Specifically, ① stock price-based indices (for example: total shareholder returns (TSR), Nikkei 225, TOPIX, etc. (refer to Note 1 below)) and ② finance-based indices (for example: consolidated revenues, consolidated operating income and sales revenues, operating income, EBITDA, etc. (refer to Note 2 below) in specific reporting segments (which shall mean such reporting segments as are selected as appropriate performance assessment indicators for each director, based on position and responsible business scope thereof (likewise hereinafter))) shall be adopted as objective and transparent indices, and assessments shall be made based on weights to be determined when granted. In addition, those performance assessment indicators and their respective ratios to be used in the process may be modified from time to time, based on changes in the roles and responsibilities, etc. of respective directors as well as the business environments surrounding the Company, amendments of business plans for the Company, etc. Furthermore, taking into account each director's scope of duties and other circumstances, notwithstanding the foregoing, with respect to a part of the stock acquisition rights granted as equity-based stock options (performance-based), based on an assessment focusing on leadership impact, execution of strategic priorities, team development, etc., the CEO may determine the achievement rate at the CEO's discretion (refer to Note 3 below), and such portion may vest and become exercisable after the performance assessment period in accordance with such achievement rate (with the remainder assessed, in principle, using the weights for ① stock price-based indices and ② finance-based indices described above). If there is a change in the role of an executive director during the performance assessment period (for example, a director becomes a representative director), additional equity-based stock options may be granted to such a director.

(Note 1) Example of stock-based indicators for performance assessment: As comparison target indicators, for example, TSR, Nikkei 225, TOPIX, etc. may be selected, and assessment would be made by comparing variation ratios of Nexon's stock-based indicators such as TSR value with variation ratios of comparison target indicators for the period from the date of a certain annual general meeting of shareholders to the date of the annual general meeting of shareholders three years later (TSR values are expressed as percentages based on dividends and movements in the stock price). For example, for equity-based stock options (performance-based) granted in 2026, the performance assessment period for the

portion that uses relative TSR as a performance indicator would be until the day of the annual general meeting of shareholders to be held in 2029, three years after the day of the annual general meeting of shareholders held in 2026. Thereafter, performance assessment would be conducted using the same method.

(Note 2) Example of finance-based indices selected as performance assessment indicators: Assessment for consolidated revenues, consolidated operating income and sales revenues, operating income, EBITDA, etc. in specific reporting segments shall be made based on the rate of achievement of the relevant targets for each fiscal year as upheld in our internal management plan.

(Note 3) The determination of the achievement rate shall be made in line with the purpose and items of the discretionary assessment set forth in the Appendix.

The range of fluctuations for the portion compensated by equity-based stock options (performance-based) shall be within the range from 0% to 100% depending on the performance-based achievement rate (e.g. 100% at 100% achievement of KPI targets).

For equity-based stock options (performance-based), after the first annual general meeting of shareholders within a performance assessment period which should be established in advance, executive directors are granted stock acquisition rights in advance on the premise of certain degree of achievement of KPI targets. However, only the portion assessed, determined, and confirmed in accordance with the actual rate of performance-based achievement will actually vest and become exercisable.

As for the number of equity-based stock options (performance-based) to be granted, the standard amount of equity-based stock options (performance-based) shall be determined for each director by simultaneously taking into account the base salary decided in (1) above and the ratio determined in “4. Compensation Breakdown,” and the number of equity-based stock options to be granted shall be the number derived by dividing the said standard amount of equity-based stock options (performance-based) by the closing price of ordinary transactions of Nexon’s common stock on the Tokyo Stock Exchange on the day immediately preceding the grant approval date (if such day is not a trading day, the most recent trading day) (any fractional amount shall be rounded off). Furthermore, the class and number of underlying shares per stock acquisition right shall be one share of common stock of Nexon.

Reference:

Total shareholder returns (TSR) = $(A + B) / C$

A: capital gain during the assessment period

(i.e. stock price at the end of assessment less stock price at the beginning of assessment) B:

amount of dividend per share during the assessment period

C: stock price at the beginning of assessment

For the calculation of the “stock price at the beginning of assessment” and “stock price at the end of assessment,” we use the average closing stock price of each of Nexon and the comparison target companies during the 90-day period preceding the date of the applicable general meeting of the shareholders.

We use stock-based indicators as a part of performance assessment indicators because we think that it is important for us to make assessments based not only on Nexon’s sustainable growth, but also by taking the market environment and the competitive environment into consideration.

In the case where a member leaves the office as a director before certain portions of the rights towards equity-based stock options vest, the executive director shall lose his/her rights towards equity-based stock options as to such unvested portions of the rights towards equity-based stock options. However, if the director resigns due to the expiration of his/her term of office or falls into some exceptional matters as otherwise decided by the board of directors, the director shall be able to exercise a number of stock acquisition rights that will be decided, taking into account the duration of his/her term of office and performance achievement rate criteria.

Remarks:

Depending on the rate of achievement of KPI targets, the expense for performance-based compensation will be reversed (i.e. increase of consolidated operating income) or added (i.e. decrease of consolidated operating income) in the final year of the performance assessment period. However, the amount of this reversal shall not be included in the calculations for the rate of achievement of KPI targets.

(3) Special Compensation

Notwithstanding the foregoing, if circumstances arise requiring a change to the originally determined amount of compensation, or in other cases where it is necessary, the company may, in accordance with the procedures set forth in “6. Determination Process” below, decide to grant additional cash compensation, separate from the compensation described above, to be paid in installments or as a lump-sum payment. Such additional payment shall not be taken into account when determining the ratio allocations set forth in “4. Compensation Breakdown” above.

6. Determination Process

The upper limit on the compensation of Nexon's directors shall be resolved at an general meeting of shareholders. The details of individual compensation, etc. shall be determined within that limit by the following method.

Directors other than those who are Audit and Supervisory Committee members:

Compensation Committee is established as an advisory body of the Board of Directors. Independent external directors shall constitute a majority at such Compensation Committee and an independent external director shall act as its chair. In the operation of the Compensation Committee, an external compensation consultant may be employed to introduce objective perspectives and professional opinions from outside the company, and other executive compensation survey data, etc. provided with regards to directors' compensation are also referenced.

To ensure a reasonable level and composition of directors' compensation, as well as transparency of its determination process, the specific amounts to be paid as compensation and the performance-based achievement rate shall be finalized and determined by resolution of the Board of Directors after obtaining approval from the Compensation Committee. As for the underlying total compensation amount and its components for each director, those for the Representative Director, President and CEO (*daihyo torishimariyaku shacho*) shall undergo discussions between the Representative Director, President and CEO and the Compensation Committee, and those for other directors shall undergo discussions between the Representative Director, President and CEO and each director, and be finalized by a resolution of the Board of Directors upon deliberation by and approval of the Compensation Committee.

Directors who are Audit and Supervisory Committee members:

The matter shall be decided upon discussions among directors who are Audit and Supervisory Committee members.

7. Amendment

When a revision of this Directors' Compensation Policy or readjustment of any component or level of compensation becomes necessary to keep pace with the dramatic changes in the external environment or for any other reason, the Board of Directors may make such amendment after review by the Compensation Committee.

8. Information Disclosure and Other Policies

The details of Nexon's compensation plan for directors shall be promptly disclosed to our shareholders and other stakeholders through our financial statements, business reports and corporate governance reports, which will be prepared and disclosed in accordance with all applicable laws and regulations, as well as through channels such as our company website. We will also proactively respond to engagements with institutional investors and analysts, among others.

9. Application

NEXON Directors' Compensation Policy shall apply from the directors who are in office as of March 25, 2026.

Established on February 23, 2018

Amended on March 22, 2018

Amended on March 25, 2021

Amended on February 21, 2024

Amended on August 20, 2025

Amended on February 20, 2026

Appendix: Purpose of Discretionary Assessment

Discretionary assessment is intended to recognize leadership contributions and outcomes not fully captured by formulaic financial or operational metrics, while reinforcing behaviors that support sustainable long-term shareholder value, creative excellence, and responsible stewardship of talent, players, and intellectual property.

Core Assessment Categories & Focuses by Category

1. Strategic & Franchise Leadership

- Effectiveness in translating company strategy into studio-level priorities and roadmaps
- Stewardship of existing franchises and/or development of new IP with long-term value potential
- Quality of judgment in portfolio trade-offs (scope, timing, risk, investment)

2. Execution & Operational Excellence

- Delivery against agreed development milestones, launch objectives, and live-operations commitments
- Predictability and discipline in production planning and execution
- Effectiveness in managing execution risk, including scope control, resourcing, and quality thresholds

3. Creative Leadership & Innovation

- Leadership in fostering high-quality creative output and differentiated player experiences
- Willingness to pursue disciplined innovation in gameplay, technology, tools, or development processes
- Balance between creative ambition, commercial viability, and execution risk

4. Talent Development, Culture & Organizational Health

- Ability to attract, retain, and develop key creative and technical talent
- Succession planning and leadership bench strength within the studio
- Stewardship of a healthy, inclusive, and ethical studio culture

5. Player & Brand Stewardship

- Commitment to player-centric decision-making across development, live services, and monetization
- Protection and enhancement of franchise and company brand reputation
- Responsiveness to player feedback and community sentiment

6. Cross-Functional & Enterprise Leadership

- Effectiveness in collaborating with the teams at Nexon
- Contribution to broader enterprise initiatives beyond the studio
- Constructive engagement with senior leadership and the Board, as appropriate

7. Governance, Risk & Values Alignment

- Demonstration of sound judgment and integrity in complex or ambiguous situations
- Compliance with company policies, legal requirements, and ethical standards
- Proactive identification and mitigation of operational, conduct, or reputational risks